

Became law upon approval of the Governor at 11:59 a.m. on the 9<sup>th</sup> day of August, 2007.

**Session Law 2007-349****House Bill 1737**

AN ACT TO REGULATE LEGAL EXPENSE FUNDS OF ELECTED OFFICERS TO PROVIDE FOR DISCLOSURE OF CONTRIBUTIONS AND EXPENDITURES AND TO LIMIT CERTAIN CONTRIBUTIONS.

*The General Assembly of North Carolina enacts:*

**SECTION 1.** Subchapter VIII of Chapter 163 of the General Statutes is amended to add a new Article to read:

"Article 22M.

"Legal Expense Funds.

**"§ 163-278.300. Definitions.**

As used in this Article, the following terms mean:

- (1) Board. – The State Board of Elections.
- (2) Contribution. – As defined in G.S. 163-278.6. The term "contribution" does not include either of the following:
  - a. The provision of legal services to an elected officer by the State or any of its political subdivisions when those services are authorized or required by law or
  - b. The provision of free or pro bono legal advice or legal services, provided that any costs incurred or expenses advanced for which clients are liable under other provisions of law shall be deemed contributions.
- (3) Elected officer. – Any individual serving in or seeking a public office. An individual is seeking a public office when that individual has filed any notice, petition, or other document required by law or local act as a condition of election to public office. An individual continues to be an elected officer for purposes of this Article as long as a legal action commenced while the individual was an elected officer continues. If a legal action is commenced after an individual ceases to serve in or seek public office but the legal action concerns subject matter in the individual's official capacity as an elected officer, for purposes of this Article, that individual is an elected officer as long as that legal action continues.
- (4) Expenditure. – As defined in G.S. 163-278.6.
- (5) Legal action. – A formal dispute in a judicial, legislative, or administrative forum, including but not limited to, a civil or criminal action filed in a court, a complaint or protest filed with a board of elections, an election contest filed under Article 3 of Chapter 120 of the General Statutes or G.S. 163-182.13A, or a complaint filed with the State Ethics Commission or Legislative Ethics Committee. The term "legal action" also includes investigations made or conducted before the commencement of any formal proceedings. The term "legal action" does not include the election itself or the campaign for election.